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March 1966

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INTELLIGENCE BRIEF

FOREIGN SHIPPING
TO NORTH VIETNAM DURING FEBRUARY 1966

DIRECTORATE OF INTELLIGENCE

Office of Research and Reports

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GROUP 1
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W A R N I N G

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FOREWORD

The data in this brief are preliminary and subject to modification in subsequent publications as additional information becomes available. Significant changes may occur in data on ship arrivals and cargoes from Communist China and, to a lesser extent, in data on cargoes carried by ships of the Free World. Data on Soviet and Eastern European ship arrivals and cargoes and on Free World ship arrivals are not likely to be changed significantly.

FOREIGN SHIPPING
TO NORTH VIETNAM DURING FEBRUARY 1966*

Summary

The 37 calls made by foreign ships at North Vietnamese ports in February was considerably below the 1965 average because of the further withdrawal of Free World ships from trade with North Vietnam in apparent response to US démarches.. All but one of the 12 Free World ships that called at North Vietnam were Hong Kong-owned British-flag ships. Calls by Communist ships, particularly Chinese and Soviet ships, were somewhat above the 1965 average, as shown in the following tabulation:

| | <u>1966</u> | | <u>Monthly Average 1965</u> |
|-----------------|----------------|-----------------|---------------------------------|
| | <u>January</u> | <u>February</u> | |
| Total | <u>47</u> | <u>37</u> | <u>44</u> |
| Communist | <u>29</u> | <u>25</u> | <u>23</u> |
| USSR | 9 | 10 | 7 |
| Eastern Europe | 4 | 1 | 4 |
| Communist China | 15 | 14 | 12 |
| Cuba | 1 | 0 | Negl. |
| Free World | <u>18</u> | <u>12</u> | <u>21</u> |
| United Kingdom | 13 | 11 | 11 |
| Other | 5 | 1 | 10 |

* The estimates and conclusions in this brief represent the best judgment of this Office as of 18 March 1966. For details on ship arrivals and the type and distribution of cargo, see Tables 1, 2, 3, and 4.

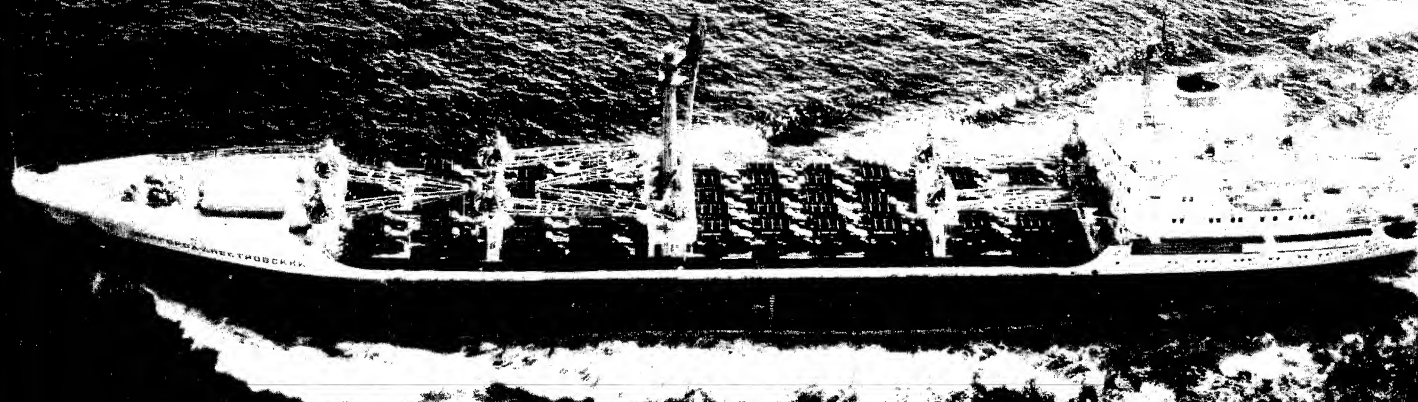
Seaborne imports were the lowest in volume since September 1965. The volume of cargoes of Soviet origin was less than one-half the average volume arriving in the last six months of 1965. The Soviet shipments consisted mainly of fertilizer and petroleum, but included two loads of trucks and other vehicles (see the photograph). No arms or ammunition were identified among any incoming cargoes.

Of the major exports, only shipments of coal and cement equaled or exceeded the 1965 monthly average volumes. Exports of coal were so large as to make the total volume of seaborne trade approximately equal to the monthly average for the last six months of 1965. The coal ports (Cam Pha and Hon Gay) were congested, causing ships to wait up to nine days before berthing. Haiphong also was relatively crowded apparently as a result of a high concentration of arrivals in the second and third weeks of February. No apatite or pig iron were shipped from North Vietnam on foreign-flag ships in February.

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THE BELGOROD DNESTROVSKIY EN ROUTE TO HAIPHONG IN FEBRUARY 1966 WITH A DECK CARGO OF GAZ-TYPE 4 X 4 TRUCKS

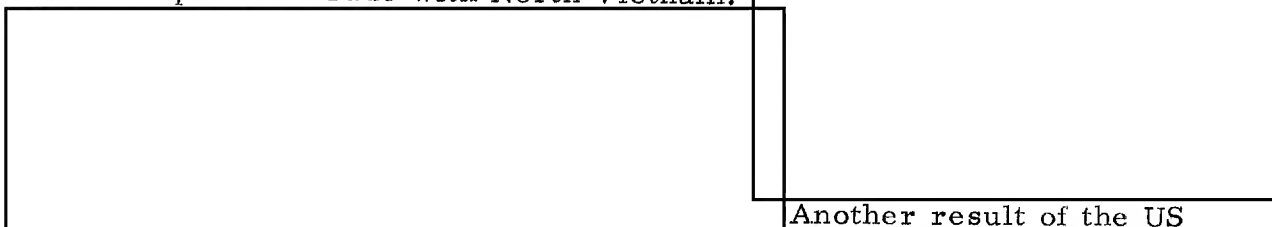
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1. Free World Shipping

The twelve calls made by Free World ships at North Vietnamese ports in February was the lowest number of calls by such ships in any month since September 1965. Eleven of the calls were by British-flag ships, all owned and registered in Hong Kong. Six of the eleven calls were made by ships of companies probably under the control of Communist China. The twelfth call was by a Greek-flag ship.

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The low number of calls by Free World ships reflects the success of recent intensive US efforts to influence Free World countries to withdraw their ships from trade with North Vietnam.



Another result of the US efforts was the Royal Decree issued by the Greek Government on 2 March prohibiting Greek ships from calling at North Vietnam. The decree grants an exception to those Greek-flag ships with current charters that give the charterer the option of continuing the commitments. The Greek ship that called at North Vietnam in February was under time charter to Vietfracht, North Vietnam's ship-chartering agency. The owners do not intend to renew the charter.

The five Free World countries whose ships made 93 percent of Free World ship calls at North Vietnam last year -- Japan, the United Kingdom, Greece, Norway, and Lebanon -- have all taken action, governmental or private, to curb trade with North Vietnam by ships registered under their flags. Japanese ships were the first to be withdrawn from the trade as a result of a mutual agreement between Japanese seamen's unions and shipowners, and no Japanese-flag ships have visited North Vietnam since last March. Firm governmental restrictions by Lebanon and Norway have also been strictly enforced since the dates that they became effective.

Free World ships continue to be most heavily employed in carrying North Vietnam's export trade. Only five of the twelve Free World ships that arrived at North Vietnamese ports in February brought in cargoes, all from Communist China, consisting of 14,700 tons of coal, 1,000 tons of soybeans, and 10,600 tons of miscellaneous cargoes. Nine of the eleven ships that departed from North Vietnam during the month carried cargoes of coal for China and Japan totaling 65,900 tons.

2. Communist China

Chinese Communist ships accounted for 38 percent of foreign ship arrivals in North Vietnamese ports in February. There were 25 calls by Communist ships, including 14 Chinese, 10 Soviet, and 1 Bulgarian.

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Communist ships carried 52 percent of North Vietnam's identified seaborne trade in February, equaling the high proportion attained for the first time in December 1965 and significantly exceeding the proportion for the entire year 1965, as follows:

| | Percent | |
|---------|------------------|-----------------|
| | February 1966 | 1965 Average |
| Total | 52 | 37 |
| Imports | 52 | 65 |
| Exports | 52 | 27 |

Identified cargoes carried by Communist ships arriving at North Vietnam in February totaled 28,300 tons. Nearly 27,000 tons were carried by Soviet ships, compared with a monthly average of 44,600 tons in the last half of 1965. Five Soviet ships sailing from Black Sea ports delivered 19,800 tons of cargo, including a tanker load of petroleum, two shiploads of fertilizer, and 3,200 tons of miscellaneous cargo. Two Soviet ships under charter to Vietfracht delivered fertilizer from Japan. Another carried timber from Cambodia, and two arrived in ballast from Southeast Asian ports to load coal. Although only 1,300 tons of cargo were identified aboard arriving Chinese ships, they probably delivered much more. At least six Chinese ships with combined capacities of over 24,000 GRT sailed directly from Chinese ports to Haiphong, the principal port of discharge for incoming cargoes. The single Bulgarian ship arrived in ballast to load coal. No shipments of arms or ammunition were identified.

There are indications that the USSR recently established a Marine Agency in North Vietnam, possibly in anticipation of increased seaborne shipments. In a similar move, the Chinese set up maritime shipping offices in Haiphong and Cam Pha in the last half of 1965, following an apparent increase in Chinese shipping to North Vietnamese ports.

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Identified cargoes aboard Communist ships departing North Vietnam in February totaled 70,200 tons, including 60,700 tons of coal, 8,100 tons of cement, and 1,400 tons of miscellaneous cargoes. In 1965 the average monthly volume of North Vietnamese exports identified aboard departing Communist ships was only 37,900 tons, of which 22,400 tons was coal.

3. Cargoes

Seaborne cargoes identified aboard foreign ships arriving at and departing from North Vietnam in February totaled 190,600 tons. Identified import cargoes amounted to 54,500 tons -- the lowest volume since September and nearly 5,500 tons less than the average monthly volume of seaborne imports in the last half of 1965. Identified seaborne exports totaled 136,100 tons, of which 126,500 tons were coal. No shipments of arms or ammunition were identified.

Coal, North Vietnam's leading export, was also the principal seaborne import in February. Since October a number of Free World ships carrying North Vietnamese anthracite to North China have returned with bituminous coking coal for North Vietnam. Although occasional shipments of coal arrived by sea from China in 1964, none were seen in 1965 until November. From November through February these import shipments averaged 8,400 tons a month, apparently having been diverted from rail to sea to relieve the main rail line to North Vietnam.

Identified deliveries of other major categories of seaborne imports in February were below the average level attained in the last six months of 1965, as shown in the following tabulation:

| | Thousand Tons | |
|-----------------------|------------------|---------------------------------------|
| | February 1966 | Monthly Average July-December 1965 |
| Fertilizers | 11.6 | 12.6 |
| Petroleum | 10.0 | 13.3 |
| Bulk foodstuffs | 1.0 | 12.4 |
| Miscellaneous cargoes | 15.1 | 19.7 a/ |

a. Coal imports have been removed from this total to make it fully comparable with the February data.

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Miscellaneous imports in February included 1,300 tons of metal containers on a Chinese ship; 3,200 tons from Soviet ships, consisting mainly of trucks and other vehicles (including fire engines and motorcycles) and steel rails; and 10,600 tons on Free World ships.

The proportion of seaborne imports originating in Communist countries was unusually high, amounting to 86 percent, compared with 78 percent of all identified seaborne imports in 1965.

Seaborne exports of coal totaled 126,500 tons in February, compared with an average monthly volume of 104,200 tons in the last half of 1965. China was the major customer, taking 73,600 tons. Japanese importers took their largest volume since last June, 41,600 tons, and the remaining 11,300 tons were loaded on a Bulgarian bulk carrier for France.

Seaborne exports of cement totaled 8,100 tons in February, an amount roughly equal to the total volume exported on foreign ships over the preceding four months. There were indications that an even larger volume of cement might be exported in March.

Miscellaneous export cargoes, which normally include a high proportion of manufactured goods, totaled only 1,400 tons, compared with an average of 9,300 tons a month in 1965. No shipments of apatite or pig iron were detected.

The heavy volume of coal loadings resulted in congestion at the coal ports, with ships waiting up to nine days for berthing space. Haiphong harbor also was relatively congested, but this appeared to be the result of a concentration of ship arrivals in the second and third weeks of February rather than of any significant change in the volume of cargoes handled by the port.

In an apparently unusual procedure, two Soviet tankers arriving in late January and mid-February discharged portions of their cargoes directly into smaller North Vietnamese tankers. Each Soviet tanker carried split cargoes of gasoline and diesel oil. There are indications that at least one of the transfers took place in the bay before the Soviet tanker proceeded up river to Haiphong. In both cases, there is no reason to believe that the transfer was required because of excess draft or lack of berthing space. Presumably the North Vietnamese tankers receiving the petroleum carried it to smaller North Vietnamese ports.

Table 1

Foreign-Flag Ship Arrivals in North Vietnam ^{a/}
January, February, and Cumulative 1966

| Flag | January ^{b/} | | February | | Cumulative 1966 | |
|---------------------|-----------------------|------------------------|-------------|------------------------|-----------------|------------------------|
| | Num- ber | Percent of Total | Num- ber | Percent of Total | Num- ber | Percent of Total |
| Total | <u>47</u> | <u>100.0</u> | <u>37</u> | <u>100.0</u> | <u>84</u> | <u>100.0</u> |
| Communist countries | <u>29</u> | <u>61.7</u> | <u>25</u> | <u>67.6</u> | <u>54</u> | <u>64.3</u> |
| USSR | 9 | 19.1 | 10 | 27.0 | 19 | 22.6 |
| Eastern Europe | 4 | 8.5 | 1 | 2.7 | 5 | 6.0 |
| Bulgaria | | | 1 | 2.7 | 1 | 1.2 |
| Poland | 4 | 8.5 | | | 4 | 4.8 |
| Communist China | 15 | 31.9 | 14 | 37.8 | 29 | 34.5 |
| Cuba | 1 | 2.1 | | | 1 | 1.2 |
| Free World | <u>18</u> | <u>38.3</u> | <u>12</u> | <u>32.4</u> | <u>30</u> | <u>35.7</u> |
| Cyprus | 1 | 2.1 | | | 1 | 1.2 |
| Greece | 3 | 6.4 | 1 | 2.7 | 4 | 4.8 |
| Italy | 1 | 2.1 | | | 1 | 1.2 |
| United Kingdom | 13 | 27.7 | 11 | 29.7 | 24 | 28.6 |

a. Because of rounding, components may not add to the totals shown.

b. Including the arrival of one Chinese Communist ship not previously reported.

Table 2

Tonnage of Foreign-Flag Ship Arrivals in North Vietnam a/
January, February, and Cumulative 1966

| Flag | January <u>b/</u> | | February | | Cumulative 1966 | |
|---------------------|-------------------|---------------------------------------|-----------|---------------------------------------|-----------------|---------------------------------------|
| | Number | Thousand Gross Register Tons | Number | Thousand Gross Register Tons | Number | Thousand Gross Register Tons |
| Total | <u>47</u> | <u>267.0</u> | <u>37</u> | <u>205.4</u> | <u>84</u> | <u>472.4</u> |
| Communist countries | <u>29</u> | <u>173.4</u> | <u>25</u> | <u>133.2</u> | <u>54</u> | <u>306.7</u> |
| USSR | 9 | 75.8 | 10 | 62.0 | 19 | 137.8 |
| Eastern Europe | 4 | 33.7 | 1 | 5.8 | 5 | 39.5 |
| Communist China | 15 | 54.2 | 14 | 65.4 | 29 | 119.6 |
| Cuba | 1 | 9.7 | | | 1 | 9.7 |
| Free World | <u>18</u> | <u>93.6</u> | <u>12</u> | <u>72.2</u> | <u>30</u> | <u>165.8</u> |

a. Many Soviet and Eastern European ships calling at North Vietnamese ports pick up or discharge only small parts of their total cargoes in North Vietnam, and many of the Free World ships only pick up export cargoes. For this reason, with the possible exception of Chinese Communist ships, aggregate tonnage of ships calling is not closely correlative to actual volume of cargoes moving into and out of North Vietnam, but these data are of value as indications of relative changes in the volume of shipping. Because of rounding, components may not add to the totals shown.

b. Including the arrival of one Chinese Communist ship, 3,327 GRT, not previously reported.

Table 3

Identified North Vietnamese Imports Carried by Foreign-Flag Ships a/
February 1966

| Flag | Commodity | | | | | | Total |
|---------------------------|--|-------------|----------------------------|----------------|------------|---------------|-------------|
| | Ammonium Sulfate and Other Fertilizers | Petroleum | Grain and Other Foodstuffs | Coal <u>b/</u> | Timber | Miscellaneous | |
| Total | <u>11.6</u> | <u>10.0</u> | <u>1.0</u> | <u>14.7</u> | <u>2.2</u> | <u>15.1</u> | <u>54.4</u> |
| Communist countries | <u>11.6</u> | <u>10.0</u> | <u>0</u> | <u>0</u> | <u>2.2</u> | <u>4.5</u> | <u>28.3</u> |
| USSR | 11.6 | 10.0 | | | 2.2 | 3.2 | 26.9 |
| Eastern Europe | | | | | | | |
| Communist China <u>c/</u> | | | | | | 1.3 | 1.3 |
| Cuba | | | | | | | |
| Free World | <u>0</u> | <u>0</u> | <u>1.0</u> | <u>14.7</u> | <u>0</u> | <u>10.6</u> | <u>26.3</u> |

a. Identified imports include some estimates of bulk cargoes, using methods which have proved to be highly reliable. Because of rounding, components may not add to the totals shown.

b. Bituminous coking coal.

c. An additional unknown quantity of imports was carried by Chinese Communist ships.

Table 4

Identified North Vietnamese Exports
Carried by Foreign-Flag Ships a/
February 1966

| | | | | | | Thousand Metric Tons |
|---------------------------|--------------|----------|------------|----------|--------------------|----------------------|
| | | | | | | Commodity |
| Flag | Coal | Apatite | Cement | Pig Iron | Miscel- laneous | Total |
| Total | <u>126.5</u> | <u>0</u> | <u>8.1</u> | <u>0</u> | <u>1.4</u> | <u>136.1</u> |
| Communist countries | <u>60.7</u> | <u>0</u> | <u>8.1</u> | <u>0</u> | <u>1.4</u> | <u>70.2</u> |
| USSR | 7.4 | | 8.1 | | 0.2 | 15.7 |
| Eastern Europe | 11.3 | | | | 1.0 | 12.3 |
| Communist China <u>b/</u> | 42.0 | | | | 0.2 | 42.2 |
| Cuba | | | | | | |
| Free World | <u>65.9</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>65.9</u> |

a. Identified exports include some estimates of bulk cargoes, using methods which have proved to be highly reliable. Because of rounding, components may not add to the totals shown.

b. An additional unknown quantity of exports was carried by Chinese Communist ships.

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CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

25 MAR 1966

MEMORANDUM FOR:

(See attached list of addressees)

SUBJECT : Foreign Shipping to North Vietnam
During February 1966

1. The attached is the latest in our series of monthly reports on foreign shipping to North Vietnam.
2. The report notes that the number of calls by foreign ships in February was considerably below the 1965 monthly average, because of the further withdrawal of Free World ships in apparent response to US demarches. Seaborne imports were less than in any month since September 1965; no arms or ammunition were identified. Of the major exports, only coal and cement equalled or exceeded the 1965 monthly average volume.

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WILLIAM N. MORELL, JR.
Director
Research and Reports

Attachment:
CIA/RR CB 66-6 (Subject Report)

Distribution:

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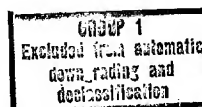
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OD/ODR: (25 Mar 66)

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18 April 1966

MEMORANDUM FOR: Chief, Dissemination Control Branch, DD/CR
FROM : Chief, Publications Staff, ORR
SUBJECT : Transmittal of Material

It is requested that the attached copies of CIA/RR CB 66-6, Foreign Shipping to North Vietnam During February 1966, dated March 1966, Secret, be forwarded as follows:

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Copies No. 247 - 255 of CB 66-6

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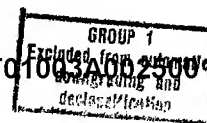
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19 Apr. 66

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